

## CHAPTER 249N

## IOWA HEALTH AND WELLNESS PLAN

Chapter takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance program state plan amendment or waiver request; transition provisions; reports to general assembly; 2013 Acts, ch 138, §186, 187

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**249N.1 Title.**

[This chapter](#) shall be known and may be cited as the “*Iowa Health and Wellness Plan*”.

[2013 Acts, ch 138, §166, 187](#)

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**249N.2 Definitions.**

As used in [this chapter](#), unless the context otherwise requires:

1. “*Accountable care organization*” means a risk-bearing, integrated health care organization characterized by a payment and care delivery model that ties provider reimbursement to quality metrics and reductions in the total cost of care for an attributed population of patients.

2. “*Affordable Care Act*” means the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152.

3. “*Covered benefits*” means covered benefits as specified in [section 249N.5](#).

4. “*Department*” means the department of human services.

5. “*Director*” means the director of human services.

6. “*Eligible individual*” means an individual eligible for medical assistance pursuant to [section 249A.3, subsection 1, paragraph “v”](#).

7. “*Essential health benefits*” means essential health benefits as defined in section 1302 of the Affordable Care Act, that include at least the general categories and the items and services covered within the categories of ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services, including oral and vision care.

8. “*Federal approval*” means approval by the centers for Medicare and Medicaid services of the United States department of health and human services.

9. “*Federal poverty level*” means the most recently revised poverty income guidelines published by the United States department of health and human services.

10. “*Household income*” means household income as determined using the modified adjusted gross income methodology pursuant to section 2002 of the Affordable Care Act.

11. “*Iowa health and wellness plan*” or “*plan*” means the Iowa health and wellness plan established under [this chapter](#).

12. “*Iowa health and wellness plan provider*” means any provider enrolled in the medical assistance program or any participating accountable care organization.

13. “*Iowa health and wellness plan provider network*” means the health care delivery network approved by the department for Iowa health and wellness plan members.

14. “*Medical assistance program*” or “*Medicaid*” means the program paying all or part of the costs of care and services provided to an individual pursuant to [chapter 249A](#) and Tit. XIX of the federal Social Security Act.

15. “Medical home” means medical home as defined in [section 135.157](#).

16. “Member” means an eligible individual who is enrolled in the Iowa health and wellness plan.

17. “Participating accountable care organization” means an accountable care organization approved by the department to participate in the Iowa health and wellness plan provider network.

18. “Preventive care services” means care that is provided to an individual to promote health, prevent disease, or diagnose disease.

19. “Primary medical provider” means the personal provider as defined in [section 135.157](#) chosen by a member or to whom a member is assigned under the Iowa health and wellness plan.

20. “Value-based reimbursement” means a payment methodology that links provider reimbursement to improved performance by health care providers by holding health care providers accountable for both the cost and quality of care provided.

[2013 Acts, ch 138, §167, 187](#)

Referred to in [§249A.3](#)

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### **249N.3 Purpose — establishment of Iowa health and wellness plan — limitation.**

1. The purpose of [this chapter](#) is to establish and provide for the administration of an Iowa health and wellness plan to promote all of the following:

a. Increased access to health care through a patient-centered, integrated health care system.

b. Improved quality health care outcomes.

c. Incentives to encourage personal responsibility, cost-conscious utilization of health care, and adoption of preventive practices and healthy behaviors.

d. Health care cost containment and minimization of administrative costs.

2. The Iowa health and wellness plan is established within the medical assistance program and shall be administered by the department. Except as otherwise specified in [this chapter](#), provisions applicable to the medical assistance program pursuant to [chapter 249A](#) shall be applicable to the Iowa health and wellness plan.

3. The department may contract with a third-party administrator to provide eligibility determination support, and to administer enrollment, member outreach, and other components of the Iowa health and wellness plan.

4. The provisions of [this chapter](#) shall not be construed and are not intended to affect the provision of services to medical assistance program recipients existing on January 1, 2014.

5. a. If the methodology for calculating the federal medical assistance percentage for eligible individuals, as provided in 42 U.S.C. §1396d(y), is modified through federal law or regulation, in a manner that reduces the percentage of federal assistance to the state in a manner inconsistent with 42 U.S.C. §1396d(y), or if federal law or regulation affecting eligibility or benefits for the Iowa health and wellness plan is modified, the department may implement an alternative plan as specified in the medical assistance state plan or waiver for coverage of the affected population, subject to prior, statutory approval of implementation of the alternative plan.

b. If the methodology for calculating the federal medical assistance percentage for eligible individuals, as provided in 42 U.S.C. §1396d(y), is modified through federal law or regulation resulting in a reduction of the percentage of federal assistance to the state below ninety percent but not below eighty-five percent, the medical assistance program reimbursement rates for inpatient and outpatient hospital services shall be reduced by a like percentage in the succeeding fiscal year, subject to prior, statutory approval of implementation of the reduction.

[2013 Acts, ch 138, §168, 187](#)

Section takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance program state plan amendment or waiver request; transition provisions; reports to general assembly; 2013 Acts, ch 138, §186, 187

#### **249N.4 Iowa health and wellness plan — eligibility.**

1. Except as otherwise provided in [this chapter](#), an individual may participate in the Iowa health and wellness plan if the individual meets all of the following criteria:

- a. Is an eligible individual.
- b. Meets the citizenship or alienage requirements of the medical assistance program, is a resident of Iowa, and provides a social security number upon application for the plan.
- c. Fulfills all other conditions of participation in the Iowa health and wellness plan, including member financial participation pursuant to [section 249N.7](#).

2. An individual who has access to affordable employer-sponsored health care coverage, as defined by rule of the department to align with regulations adopted by the federal internal revenue service under the Affordable Care Act, shall not be eligible for participation in the Iowa health and wellness plan.

3. Each applicant for the Iowa health and wellness plan shall provide to the department all insurance information required by the health insurance premium payment program in accordance with rules adopted by the department.

a. The department may elect to pay the cost of premiums for applicants with access to employer-sponsored health care coverage if the department determines such payment to be cost-effective.

b. Eligibility for the Iowa health and wellness plan is a qualifying event under the federal Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

c. If premium payment is provided under [this subsection](#) for employer-sponsored health care coverage, the Iowa health and wellness plan shall supplement such coverage as necessary to provide the covered benefits specified under [section 249N.5](#).

4. The department shall implement the Iowa health and wellness plan in a manner that ensures that the Iowa health and wellness plan is the payor of last resort.

5. A member is eligible for coverage effective the first day of the month following the month of application for enrollment.

6. Following initial enrollment, a member is eligible for covered benefits for twelve months, subject to program termination and other limitations otherwise specified in [this chapter](#). The department shall review the member's eligibility on at least an annual basis.

[2013 Acts, ch 138, §169, 187](#)

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#### **249N.5 Iowa health and wellness plan — covered benefits — administration.**

1. Iowa health and wellness plan members shall receive coverage for benefits as specified in [section 249A.3, subsection 1](#), paragraph “v”.

2. a. For members whose household income is at or below one hundred percent of the federal poverty level, the plan shall be administered by the Iowa Medicaid enterprise consistent with program administration applicable to individuals under [section 249A.3, subsection 1](#).

b. For members whose household income is above one hundred percent but not in excess of one hundred thirty-three percent of the federal poverty level, the plan shall be administered through provision of premium assistance for the purchase of the covered benefits through the American health benefits exchange created pursuant to the Affordable Care Act. The department may pay premiums and supplemental cost-sharing subsidies directly to qualified health plans participating in the American health benefits exchange created pursuant to the Affordable Care Act on behalf of the member.

[2013 Acts, ch 138, §170, 187](#)

Referred to in [§249N.2](#), [§249N.4](#)

Section takes effect June 20, 2013, to be implemented effective January 1, 2014, contingent upon receipt of federal approval of medical assistance program state plan amendment or waiver request; transition provisions; reports to general assembly; 2013 Acts, ch 138, §186, 187

#### **249N.6 Iowa health and wellness plan provider network.**

1. The Iowa health and wellness plan provider network shall include all providers enrolled in the medical assistance program and all participating accountable care organizations.

Reimbursement under [this chapter](#) shall only be made to such Iowa health and wellness plan providers for covered benefits.

2. *a.* Upon enrollment, a member shall choose a primary medical provider and, to the extent feasible, shall also choose a medical home within the Iowa health and wellness plan provider network.

*b.* If the member does not choose a primary medical provider or a medical home, the department shall assign the member to a primary medical provider or a medical home in accordance with the Medicaid managed health care, mandatory enrollment provisions specified in rules adopted by the department pursuant to [chapter 249A](#) and in accordance with quality data available to the department.

*c.* The department shall develop a mechanism for primary medical providers, medical homes, and participating accountable care organizations to jointly facilitate member care coordination. The Iowa health and wellness plan shall provide for reimbursement of care coordination services provided under the plan consistent with the reimbursement methodology developed pursuant to [section 135.159](#).

3. *a.* The department shall provide procedures for accountable care organizations that emerge through local markets to participate in the Iowa health and wellness plan provider network. Such accountable care organizations shall incorporate the medical home as defined and specified in [chapter 135, division XXII](#), as a foundation and shall emphasize whole-person orientation and coordination and integration of both clinical services and nonclinical community and social supports that address social determinants of health. A participating accountable care organization shall enter into a contract with the department to ensure the coordination and management of the health of attributed members, to produce quality health care outcomes, and to control overall cost.

*b.* The department shall establish by rule in accordance with [chapter 17A](#) the qualifications, contracting processes, and contract terms for a participating accountable care organization. The rules shall also establish a methodology for attribution of a member to a participating accountable care organization.

*c.* A participating accountable care organization contract shall establish accountability based on quality performance and total cost-of-care metrics for the attributed population. In developing quality performance standards, the department shall consider those utilized by state accountable care organization models including but not limited to the quality index score and the Medicare shared savings program quality reporting metrics. The payment models shall include but are not limited to risk sharing, including both shared savings and shared costs, between the state and the participating accountable care organization, and bonus payments for improved quality. The contract terms shall require that a participating accountable care organization is subject to shared savings beginning with the initial year of the contract, must have quality metrics in place within three years of the initial year of the contract, and must participate in risk sharing within five years of the initial year of the contract.

4. To the greatest extent possible, members shall have a choice of providers within the Iowa health and wellness plan provider network to facilitate access to locally-based health care providers and services. However, member choice may be limited by the results of attribution under [this section](#) and by the participating accountable care organization, with prior approval of the department, if the member's health condition would benefit from limiting the member's choice of an Iowa health and wellness plan provider to ensure coordination of services, or due to overutilization of covered benefits. The participating accountable care organization shall provide thirty days' notice to the member prior to limitation of such choice.

5. *a.* An Iowa health and wellness plan provider shall be reimbursed for covered benefits under the Iowa health and wellness plan utilizing the same reimbursement methodology as that applicable to individuals eligible for medical assistance under [section 249A.3, subsection 1](#).

*b.* Notwithstanding paragraph "a", a participating accountable care organization under contract with the department shall be reimbursed utilizing a value-based reimbursement methodology.

6. a. Iowa health and wellness plan providers shall exchange member health information as provided by rule to facilitate coordination and management of members' health, quality health care outcomes, and containment of and reduction in costs.

b. The department shall provide the health care claims data of attributed members to a member's participating accountable care organization on a timeframe established by rule of the department.

[2013 Acts, ch 138, §171, 187](#)

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#### **249N.7 Member financial participation.**

1. Membership in the Iowa health and wellness plan shall require payment of monthly contributions for members whose household income is at or above fifty percent of the federal poverty level. Members shall be subject to copayment amounts applicable only to nonemergency use of a hospital emergency department. Total member cost-sharing, annually, shall align with the cost-sharing limitations requirements for the American health benefits exchanges under the Affordable Care Act. Contributions and copayment amounts shall be established by rule of the department.

2. Contributions shall be waived for a member during the initial year of membership. If a member completes all required preventive care services and wellness activities as specified by rule of the department during the initial year of membership, contributions shall be waived during the subsequent year of membership and each year thereafter until such time as the member fails to complete required preventive care services and wellness activities specified during the prior annual membership period.

[2013 Acts, ch 138, §172, 187](#)

Referred to in [§249N.4](#)

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#### **249N.8 Mental health services reports.**

The department shall submit all of the following to the governor and the general assembly:

1. Biennially, a report of the results of a review, by county and region, of mental health services previously funded through taxes levied by counties pursuant to [section 331.424A](#), that are funded during the reporting period under the Iowa health and wellness plan.

2. Annually, a report of the results of a review of the outcomes and effectiveness of mental health services provided under the Iowa health and wellness plan.

[2013 Acts, ch 138, §173, 187](#)

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